

PROVINCE OF SASKATCHEWAN



10-11

ANNUAL REPORT

MINISTRY OF
AGRICULTURE

Agricultural Implements Board



Table of Contents

Letters of Transmittal.....	2
2010-2011 Annual Report.....	3
The Act and the Board	3
Objectives	3
Programs.....	3
Accomplishments	4
Program Statistics	4
Management's Responsibility for the Financial Statements.....	5
Financial Statements for the Year Ended March 31, 2011	6
Auditor's Report	7

This annual report is also available in electronic format from the Ministry's website at www.agriculture.gov.sk.ca.

Letters of Transmittal



His Honour the Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Agricultural Implements Board
for the fiscal year ending March 31, 2011.

A handwritten signature in cursive script that reads "Bob Bjornerud".

Bob Bjornerud
Minister
Saskatchewan Agriculture



The Honourable Bob Bjornerud
Minister of Agriculture

Dear Sir:

I respectfully submit the Annual Report of the Agricultural Implements Board
for the fiscal year ending March 31, 2011.

A handwritten signature in cursive script that reads "Jeffrey Wheaton".

Jeffrey Wheaton
Chair

The Act and the Board

The Agricultural Implements Act (the Act) provides protection to farmers who buy or own agricultural implements. The Act requires that farm equipment dealers and manufacturers maintain minimum levels of warranty, repair and parts delivery services. Farmers may apply to the Agricultural Implements Board (the Board) for compensation if they feel they have incurred a loss due to an unreasonable delay or the unavailability of farm equipment parts.

The current Board consists of seven members who were appointed for a two-year term effective September 30, 2010. The Board members are:

- Jeffrey Wheaton, Chairman
- Allan Smith, Vice-Chairman, Canada West Equipment Dealers Association
- Brad Nelson, Agricultural Manufacturers of Canada
- Don Taylor, Saskatchewan Association of Rural Municipalities
- Duane Smith, Canada West Equipment Dealers Association
- Jeff Just, Association of Equipment Manufacturers
- Joseph Guenther, Farmer Member

Objectives

- To ensure that a responsible distributor is registered in the province for each manufacturer of agricultural implements;
- To provide producer protection through statutory sales contracts and conditions under which implements are sold;
- To provide investigation and mediation services on disputes regarding warranties and conditions of sales contained in the sales contract; and
- To provide compensation to farmers where losses or damages are caused by breach of warranties or unreasonable delay in the provision of parts for repair.

Programs

The Board's programs are divided into two areas: preventative and remedial.

Preventative programs are aimed at eliminating problems before they occur. These programs include the registration of distributors and the licensing of dealers.

The remedial program aims to solve problems brought to the Board's attention. Complaints are investigated and mediated. When a formal Board hearing is necessary, compensation payments may be warranted.

Accomplishments

During the fiscal year 2010-2011, the office of the Board handled 127 complaints, mostly from farmers.

Spare parts' supply, higher prices and warranty issues from manufacturers made up the majority of the complaints from farmers. Questions and concerns from implement dealers and distributors were also handled. In many cases, the Board secretary helped farmers and dealers resolve complaints.

One formal complaint required a Board hearing which resulted in a payout of \$10,000 awarded to the farmer. The farmer required emergency repair service which was not provided to a bale picker to make it function properly. The Board determined a penalty of \$5,000 was assessed to the distributor who manufactured the bale picker, and \$5,000 was paid out from the Agricultural Implements Compensation Fund.

Industry continues to use computerized inventory systems to locate parts at the many warehouses in North America within minutes, and the parts are placed into transit the same day.

All inquiries were dealt with and, as a result, only one formal hearing was required.

Program Statistics

Year	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Number of dealers	400	386	372	360	380	370	372
Number of distributors	107	99	100	95	93	90	93
Number of manufacturers	226	224	222	219	217	211	213
Number of hearings	0	1	0	0	0	0	1

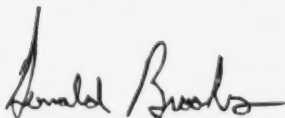
Management's Responsibility for the Financial Statements

The accompanying financial statements of the Agricultural Implements Board have been prepared by management in accordance with generally accepted accounting principles, using management's best estimates and judgments where appropriate.

The fund's management is responsible for the reliability and integrity of these financial statements and other information in the Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor of Saskatchewan has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.



Don Brooks, PAg
Secretary
Agricultural Implements Board
Date of Audit Report



Raymond Arscott, CA
Executive Director
Corporate Services
Ministry of Agriculture
Date of Audit Report

AGRICULTURAL IMPLEMENTS BOARD

FINANCIAL STATEMENTS

For the Year Ended March 31, 2011

Statement 1

**AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31**

	<u>2011</u>	<u>2010</u>
ASSETS		
Due from General Revenue Fund (Note 3)	\$ 195,519	\$ 197,001
Accrued interest receivable	<u>511</u>	<u>125</u>
	<u>\$ 196,030</u>	<u>\$ 197,126</u>
LIABILITIES AND NET FINANCIAL ASSETS		
Liabilities:		
Deferred revenue	\$ <u>1,975</u>	\$ <u>1,975</u>
Net financial assets (Statement 2)	<u>\$ 194,055</u>	<u>\$ 195,151</u>

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
For the Year Ended March 31

	<u>2011</u>	<u>2010</u>
Revenue:		
Assessment levies	\$ 2,350	\$ 2,250
Penalty revenue	5,000	---
Interest income	<u>1,575</u>	<u>530</u>
	<u>8,925</u>	<u>2,780</u>
Expenses:		
Compensation payments	10,000	---
Bank charges	<u>21</u>	<u>---</u>
	<u>10,021</u>	<u>---</u>
Surplus(deficit) for the year	(1,096)	2,780
Net financial assets, beginning of year	<u>195,151</u>	<u>192,371</u>
Net financial assets, end of year - to Statement 1	<u>\$ 194,055</u>	<u>\$ 195,151</u>

(See accompanying notes to the financial statements)

Statement 3

**AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash receipts from distributors	\$ 2,350	\$ 2,350
Cash receipts from penalties	5,000	---
Interest received	1,189	899
Compensation payments	(10,000)	---
Bank charges	<u>(21)</u>	<u>---</u>
Net increase(decrease) in cash position during the year	(1,482)	3,249
Due from General Revenue Fund, beginning of year	<u>197,001</u>	<u>193,752</u>
Due from General Revenue Fund, end of year	<u>\$ 195,519</u>	<u>\$ 197,001</u>

(See accompanying notes to the financial statements)

**AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2011**

1. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

- a) to pay compensation to farmers who have suffered loss as a result of a defective implement;
- b) to defray the expenses of investigating and hearing claims for compensation under this Act; and
- c) to maintain a reserve fund to pay compensation that may become payable in the future.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. A statement of net debt has not been prepared as information is readily determinable from the other statements. The following accounting policies are considered significant.

a) Revenue

Assessment levies on distributors are assessed annually and any that are received in advance are recorded as deferred revenue.

b) Use of estimates

These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2011 average rate 0.80%; 2010 average rate 0.27%) and the Agricultural Implements Board's average daily bank account balance.

4. Related Parties Transactions

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by the Ministry of Agriculture and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

5. Financial Instruments

Financial instruments consist of Due from General Revenue Fund and Accrued interest receivable. The carrying amounts approximate fair value due to their short-term maturity.

